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July 24, 2017

By Electronic Filing

Marlene H. Dortch, Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

Re: *Rural Health Care Support Mechanism, WC Docket No. 02-60;
Applications for Transfer of Control of the Subsidiaries of General
Communication, Inc., to GCI Liberty, Inc., WC Docket No. 17-114
Actions to Accelerate Adoption and Accessibility of Broadband-Enabled
Health Care Solutions and Advanced Technologies, GN Docket No 16-46*

Dear Ms. Dortch:

On July 20, 2017, Anand Vadapalli, President and Chief Executive Officer of Alaska Communications, and the undersigned met with Commissioner Mignon Clyburn, her Legal Advisor, Claude Aiken, and her Law Clerk, Jeremy Greenberg.

We explained that the rural health care (“RHC”) universal service support mechanism’s Telecommunications Program is essential to enable Alaska’s health care providers to afford the high cost of these vital communications services in rural and remote parts of Alaska. These services – and RHC support – are necessary to support the missions of these health care providers and the needs of their patients.

Demand for services and support under the rural health care universal service support mechanism has grown over the past two decades, making the Commission’s legacy \$400 million annual program budget inadequate to meet the nation’s rural telemedicine needs today. Among other factors, demand has risen because:

- The pool of eligible applicants has grown to include skilled nursing facilities;
- More support is available under the Healthcare Connect Fund than was available under its predecessor, the Internet Access Program, both in terms of the portion of costs borne by the program and the range of eligible costs;
- The importance of privacy, security, and portability of electronic health records has expanded health care provider use of cloud-based platforms; and
- Advances in telehealth and telemedicine capabilities have increased rural standards of patient care and expanded the bandwidth needs of rural health care providers.

We therefore urged the Commission to update the budget for the rural health care program to account for these changes. We explained that an increase to \$600 million would be needed merely to account for the past two decades of inflation and that, in light of the other changes in the rural health care environment and the scope of the program discussed above, a further increase to \$800 million would be warranted. We explained that Alaska Communications has identified sources of funding within the existing budgets, universal service contributions, and reserve accounts that could be used for this purpose while minimizing the impact on the Commission's contribution factor.

Beyond searching for ways to eliminate or reduce the funding shortfall, we urged the Commission to consider opportunities to promote greater transparency with respect to the status and timing of the Universal Service Administrative Corporation's review of funding requests. Proration of funding commitments causes great hardships for rural health care providers in Alaska. We acknowledged the Commission's Alaska-specific waiver has helped mitigate the impact of the Funding Year 2016 shortfall, and noted that guidance as early as possible in the current Funding Year 2017 would also be greatly beneficial in facilitating planning for health care providers and service providers alike.

Finally, we highlighted the concerns regarding the merger of General Communication, Inc. ("GCI") and Liberty Interactive Corporation ("LIC") discussed in the Petition to Deny filed by Alaska Communications.¹ The financial resources of LIC will give GCI additional power to extend its dominance of Alaska's communications markets, including its monopoly control of middle mile transport facilities in the Alaska bush. We urged the Commission to impose suitable conditions on the merger to ensure affordable and nondiscriminatory access to GCI facilities.

Please direct any questions regarding this matter to me.

Very truly yours,

Richard R. Cameron
for Alaska Communications

cc: Claude Aiken
Jeremy Greenberg

¹ *Applications for Transfer of Control of the Subsidiaries of General Communication, Inc., to GCI Liberty, Inc.*, WC Docket No. 17-114, Petition to Deny of Alaska Communications (filed June 19, 2017).